

## Message Text

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ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 EUR-12 FEA-01 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

/103 W

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P 150617Z JUL 75

FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC PRIORITY 7514

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E.O.11652: N/A

TAGS: ETRD, IS

SUBJECT: ISRAEL AND GSP

REF: A. TEL AVIV 4237

B. STATE 154772

C. STATE 160131

1. EMBASSY HAS HAD FURTHER DISCUSSIONS WITH NEDIVI WHO  
HANDED OVER COPIES OF GOI'S DRAFT NOTES AND PRODUCT LIST. ISRAELI  
DRAFT NOTES ARE BASEDON U.S. DRAFT(REF B) AND SEEM  
TO DEAL ADEQUATELY WITH QUESTIONS RAISED PARAS 3 AND 4  
OF REF C. WE UNDERSTAND THAT DRAFT NOTES AND PRODUCT LIST WERE  
AIRMAILED LAST WEEK TO RAFF, ISRAELI EMBASSY WASHINGTON,  
FOR TRANSMISSION TO DEPARTMENT.

2. AS WILL BE SEEN, ISRAELI PRODUCTLIST IS SET UP IN  
THREE COLUMNS; BTN NUMBER, DESCRIPTION OF ITEM; AND  
SINGLE LIST OF DUTIES ENTITLED QUOTE REDUCED TARIFF  
REFERRED TO IN PARAGRAPH 1 OF NOTE UNQUOTE. CURRENT  
DRAFT INCLUDES 78 ITEMS WITH STATED TARIFF REDUCTIONS,  
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PLUS SIX QUOTE ADDITIONAL ITEMS UNQUOTE WHICH SO

DESIGNATED FOR TECHNICAL REASONS, I.E., EITHER TO PERMIT REDUCTION ON APRIL 1, 1976 AS OPPOSED TO JANUARY 1, OR TO PERMIT CHANGE FROM AD VALOREM TO SPECIFIC DUTY. SUBSEQUENT TO PREPARATION OF PRODUCT LIST, NEDIVI CALLED TO REPORT APPROVAL OF TEN ADDITIONAL ITEMS; 30039990, 84189920, 38199910, 39011099, 39025081, 39025089, 39011059, 84159900, 85211010, AND 87071018. ITEMS STILL QUOTE IN PROCESS OF EXAMINATION UNQUOTE ARE: 39025071, 87045051, 87023091, 87023031, 87023032, 87071013, 73101014, 84225094, AND 87026029. ITEM 39011020 IS INCLUDED IN ISRAELI LIST ALTHOUGH INADVERTENTLY LEFT OFF U.S. LIST. FURTHER COMMENTS ON ISRAELI LIST; ITEM 87026090 INCLUDES 6091, 6093 AND 6097. BNLT SPECIFIC DUTY IN PARENS FOR ITEMS 15, 16 AND 17 WILL BE STATED ALTHOUGH OMITTED BY MISTAKE IN ISRAELI LIST; WITH REGARD ITEM 84189920, NEDIVI HOPES TO BE ABLE TO OFFER LOWER DUTY THAN 22.5 PERCENT INDICATED; RE 87045039, NEDIVI SAID THIS ITEM WAS CATEGORICALLY EXCLUDED DURING WASHINGTON TALKS.

3. ECONOMIC COUNSELOR MADE STRONG REPRESENTATIONS FOR INCLUSION OF TOBACCO ITEM 24021000. NEDIVI SAID GOI HAD SERIOUSLY CONSIDERED U.S. REQUEST BUT SIMPLY COULD NOT AGREE AT THIS TIME TO INCLUDE THIS ITEM. EMBASSY UNDERSTANDS THAT MAIN PROBLEM HERE IS POSSIBLE BACKLASH FROM EC WHICH HAS MAINTAINED IN PAST THAT ISRAEL IS RECEIVING PRETTY MUCH A FREE RIDE IN AGRICULTURAL SECTOR UNDER EC-ISRAEL AGREEMENT, AND WOULD BE PARTICULARLY OPPOSED TO REDUCTION OF THIS MARGIN OF PREFERENCE. RE PARA 5 REF C, NEDIVI CONFIRMED THAT NO OFFER WAS EVER MADE SINCE ITEM NOT RPT NOT ON ACCELERATED LIST.

4. ON QUESTION OF TIMING, NEDIVI SAID THAT IF TEXT OF NOTES AND PRODUCT LIST CAN BE AGREED BY END OF THIS WEEK, GOI WILL BE PREPARED TO IMPLEMENT FIRST TARIFF REDUCTIONS ON AUGUST 1.

5. COMMENT: WE BELIEVE ISRAELIS HAVE MADE SERIOUS, DETERMINED EFFORT TO REDUCE EC MARGINS OF PREFERENCE AND THUS DISCRIMINATION AGAINST U.S. SUPPLIERS. THEY HAVE NOT AGREED TO ALL OF OUR REQUESTS AND WE PARTICULARLY REGRET THEIR LIMITED OFFICIAL USE

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APPARENT UNWILLINGNESS TO CHANGE THEIR DECISION ON TOBACCO. HOWEVER, THEY HAVE PRODUCED A SIGNIFICANT LIST OF TARIFF REDUCTIONS AND FROM OUR DISCUSSIONS HERE WE DOUBT THERE IS MUCH MORE FLEXIBILITY, IF ANY, IN THEIR POSITION. IN THE CIRCUMSTANCES AND OUR MUTUAL INTEREST IN AN EARLY RESOLUTION OF THIS MATTER, WE RECOMMEND THAT PRESENT OFFER BE ACCEPTED.  
TOON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GENERALIZED PREFERENCES (TARIFFS), TRADE AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750243-0801  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 TEL AVIV 4237  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 11 AUG 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <11 AUG 2003 by KelleyW0>; APPROVED <28 NOV 2003 by CunninFX>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ISRAEL AND GSP  
**TAGS:** ETRD, IS  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006